

State Of Montana  
Single Statewide Planning Area Waiver

WAIVER to allow a state board to carry out the roles of local boards for a Single Statewide Planning Area Structure

**1. Statutory Regulations to be Waived:**

Montana is requesting an extension of our current waiver to apply 20 CFR 661.300(f), which permits a state board to carry out the roles of a local board in a single statewide regional planning area. Montana requested to modify the State Plan to permit the state board to carry out the roles of a local board in a single local area on September 22, 2005. The modification was approved on October 1, 2005 and Montana has been operating under this structure since January 2006.

**2. Describe action the State has undertaken to remove State or local statutory or Regulatory barriers:**

There are no State or local statutory or regulatory barriers that have to be addressed to continue operating as a single statewide planning area.

**Background Information:**

Montana has two (2) designated local workforce investment areas; the 10 county Concentrated Employment Program (CEP) local area, and the 46 county Balance of State (BOS) local area. These areas were designated under the implementation of the Workforce Investment Act of 1998.

The CEP is an automatic designated area as provided in the WIA of 1998. Montana does not meet the population criteria for more than one other local area, and therefore the BOS is also considered an automatic designated area. Neither local area in Montana actually has the population numbers to be considered a separate workforce area, but since the CEP was grandfathered in with the WIA, we have two areas.

On August 30, 2005 the State board met and was presented with a report from Governor Schweitzer's designee on the Board, describing the statewide regional planning structure, and projecting the estimated reductions in duplicate administrative overhead costs, as well as the projected increases in participants and businesses that would be served under the statewide planning structure. Prior to the SWIB meeting on August 30, 2005, the announcement and agenda for the meeting were publicly announced on the SWIB website, 72 hours prior to the meeting. A notice to the interested person's for the SWIB which include the local elected officials, service providers, workforce partners, and other interested people was sent (this process was followed for each time a meeting was

scheduled or public comment was solicited and meets Montana laws on public meetings). At the meeting, there was a lengthy discussion and public comment. In alignment with the Governor's direction to the Board, the SWIB moved unanimously to: direct staff to draft a modification to Montana's 2-Year Strategic Plan to move to a statewide regional planning area; include the provision for applying for a waiver to apply 20 CFR 661.300(f), which permits a state board to carry out the roles of a local board in a single local area, to a statewide regional planning area; and allow no less than a 2 week public comment period. A meeting was scheduled for September 20, 2005 at which the SWIB would take action on the Plan Modification and waiver request. The Plan modification and waiver were announced to the general public as part of the plan modification review process, which included a process for soliciting review and comment during a two-week period, and reviewed, by the Governor's State Workforce Investment Board on or before their meeting on September 20, 2005. The County Commissioners on the CEP Council of Commissioners and the Chairs of each Local WIB received a personal phone call to advise them of the proposed change, and offer an opportunity to comment on the proposal. In turn, each of the local workforce boards were offered the chance to respond.

After the comment period, the State Plan Modification and Waiver request was submitted to USDOL on September 22, 2005 and was subsequently approved on October 1, 2005. A letter of support was signed by all of the County Commissioners from the CEP and was included with the submission.

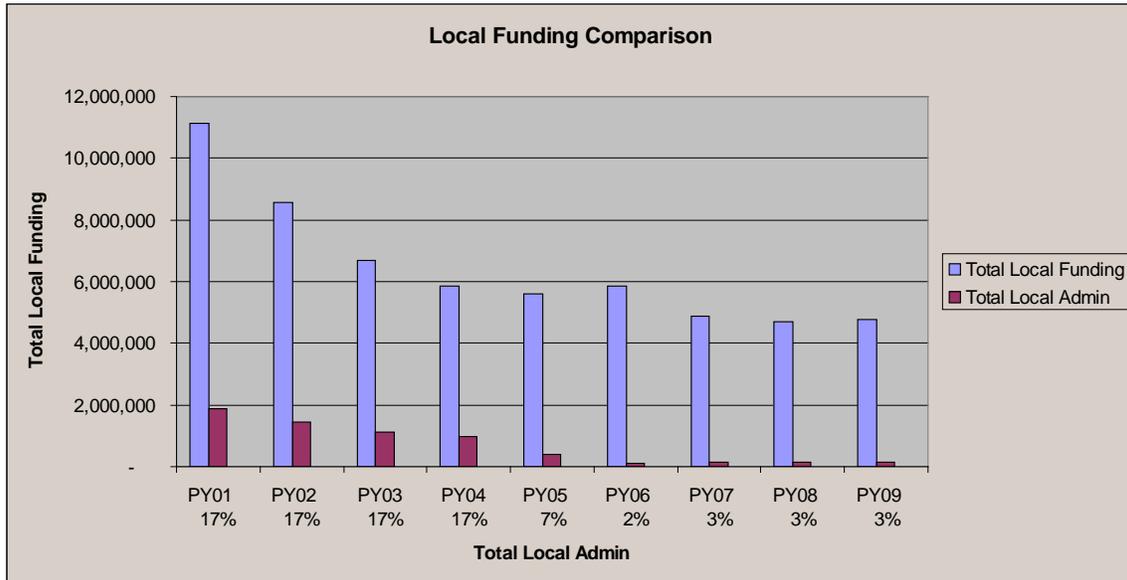
### **3. Waiver goals and measurable programmatic outcomes, if the waiver is granted:**

The following were the goals that were identified in the original Waiver of the State Plan and were subsequently approved. The outcomes that have occurred as a result of the Waiver approval are outlined following each goal.

1. Reduce overhead costs and increase program dollars:
  - maximized the available money directed to training and services to business
  - savings to the workforce system in PY06 was an additional \$1.2 million going out to service providers for training and other services to Montana's citizens and businesses (this savings was from un-spent dollars from the local administrative entity for PY04 and PY05)
  - maximized the resources available to the citizens of Montana and to our businesses

The following chart shows the local administrative costs for operating the WIA from 2001 through present. You will clearly see the administrative savings Montana realizes with having the single statewide planning area structure. In PY01, 17% of the total local funding was spent on administration compared to today where only 3% of local funding is spent on administration. This allows

more funding to be spent for services directly to customers.



## 2. Expand the number of One-Stops in the State

Prior to Montana becoming a single statewide planning area, there were two certified One-Stops located in the State, one in the CEP (10 county region) and one in the BOS (remaining 46 counties). Montana had 22 other job service workforce center sites that provided Wagner-Peyser services with a spattering of other partner services across the state. With the current structure, Montana has been able to:

- promote the role of Community Management Teams (CMTs) that were organized under the original WIA 5-Year Plan
- include mandatory partners and many optional partners in One-Stops and CMT's
- share data and information about new and expanding businesses to build the economy across regions
- certify 24 One-Stop Centers including one Native American One-Stop located on the Blackfeet Reservation in Browning, Montana.

Currently, Montana has 24 comprehensive One-Stops with two satellite offices that provide services directly to customers either onsite, through regular outreach to targeted areas such as Montana's Indian Reservations, through electronic access, or referral to the following programs:

- Job Corps
- Carl Perkins Act Post-Secondary programs
- Office of Public Assistance
- Adult Education and Literacy programs

- Montana University System including Colleges of Technology
- Tribal Colleges
- Rural Employment Opportunities (REO)
- Tribal Employment Rights Office (TERO)
- Apprenticeship Programs
- Private for profit training entities
- Economic Development Organizations
- Local Businesses

Please see attached map of MACo (Montana Association of Counties) Districts and One-Stop Centers.

3. Redesign youth programs and target youth most at-risk
  - identified gaps and prioritized services to those youth who demonstrate the greatest need
  - Established a Youth Council that is a sub-committee of the SWIB. The Youth Council has thirteen members that represent various agencies such as Jobcorps, education, WIA Service Providers, corrections, tribal and private industry
  - established the following goals:
    - Move Montana to achieve the federal vision of prioritizing investments that serve the neediest youth: Youth transitioning out of Foster Care, Youth in the Juvenile Justice System, Youth of incarcerated parents, Migrant youth, Native American/Indian youth, and Youth with disabilities.
    - The Montana SWIB Youth Council is committed to contracting with youth providers who raise the literacy, social, and/or technical skills of the youth.
    - Assure that funding for youth programs is performance-based and that systems and programs are focused on outcomes.
    - Develop effective partnerships to create a greater connection between and among all youth programs and initiatives to eliminate duplication of services and provide more efficient services to youth.

With the single planning area structure and the SWIB establishing a statewide Youth Council, Montana has improved the services to our Youth with representatives from various agencies serving youth from across the state and more integration between the various programs. The Youth Council that we have in place now is very active and has a wide array of partners that coordinate and focus services for our youth.

#### 4. Strengthen administrative oversight and accountability processes

The Montana Department of Labor and Industry's Workforce Services Division consists of four separate bureaus: Statewide Workforce Programs and Oversight Bureau, Job Service Operations Bureau, Research and Analysis Bureau, and the 21<sup>st</sup> Century Workforce Bureau. Please see the attached organizational chart.

- The Statewide Workforce Programs and Oversight Bureau is a separate entity/bureau that provides monitoring and oversight to all WIA programs, Wagner-Peyser, Trade, and other state workforce programs. The Statewide Workforce Programs and Oversight Bureau has been designated by Governor Schweitzer as the administrative entity to the SWIB and reports directly to USDOL and the SWIB on all WIA matters including monitoring, compliance, and reporting. The Statewide Workforce Programs and Oversight Bureau has the responsibility of allocating WIA monies and contracting with service providers as directed by the SWIB.
- The Job Service Operations Bureau is the Wagner-Peyser and Trade Act service provider for Montana. They operate 24 local job service offices across the state with many of them being the One-Stop center in their area. The Job Service Operations Bureau is the WIA Dislocated Worker provider for the State and provides WIA Adult services in some locations. In other areas of the state, WIA Adult service providers are Community Colleges, private non-profit agencies, and community based organizations.
- The Research and Analysis Bureau works with the Bureau of Labor Statistics to develop Labor market Information for Montana and United States that businesses, educators, government agencies, researchers, students and others find useful. They also publish monthly employment statistics and issues a wide variety of publications designed to help Montanans better understand their economy.
- The 21<sup>st</sup> Century Workforce Technology Apprenticeship & Training Bureau houses the Apprenticeship and Training Program, Jobs for Montana's Graduates, Montana's WIRED Program, State Incumbent Worker Training program and outreach. The SWIB staff is also housed in this Bureau.

Current structure mirrors what it would be if we had two local boards, without the duplicative administrative costs.

- The WIA funds are allocated to each local area (BOS and CEP) based on formula that is used by USDOL to allocate funds to each state.

- The funds are held at the state and then allocated to each MACo District based on a formula the SWIB has approved. Please see attached MACo District map for the location of the various MACo districts.
- The WIA Funds are then directly contracted by the Statewide Workforce Programs and Oversight Bureau to the service providers.
  - The SWIB conducted a Request for Proposal (RFP) for all of the current WIA providers across the State in spring 2007. These contracts are valid for five years provided the service provider is meeting performance standards and has no serious issues with compliance.
  - Through the RFP process, the local Community Management Teams were involved in identifying/selecting local service providers to bid for operation of the WIA programs.

#### 5. Increased training opportunities

With the single planning area structure, Montana was able to serve 31.12% more participants with our allocation of WIA dollars between PY05 and PY08.

Montana will continue to be able to serve more people with our current structure than if we had to fund two local workforce boards and a separate administrative entity with our allocation of WIA monies.

#### 4. Describe any individuals affected by the Waiver:

The individuals affected by this waiver extension are the participants in the WIA program and the communities, businesses, and job seekers. Montana is able to serve significantly more participants (31.12% more) with the single planning structure and the additional dollars that are able to be directly contracted out to service providers. We were able to serve 31.12% more participants with a reduction in WIA dollars of 16% between PY05 and PY08.

The communities and businesses are also positively affected by this change in structure. Montana now has active, strong Community Management Teams that include area businesses, WIA providers, as well as other partner agencies serving the community. Through the CMT's, the communities are able to enhance the services to their businesses and job seekers with better cooperation and collaboration between the agencies that are located in each community.

#### 5. Additional Considerations:

If we were to go back to the structure prior to January 2006, it would affect Montana in the following ways...

- Less training and other participant services – The money we would use to support two local workforce boards allows us to train more people and

support them while they are in their training. We would serve approximately 31% less people if we needed to support two boards.

- Less consistency and cohesiveness – While each community is unique across the State, there are benefits of having some work processes the same. The current structure has allowed us to simplify work processes and get better results from our services. If we were to go back to having two separate local workforce boards, we would lose the consistency of policies and work processes that we have successfully brought together. One result of this consistency is having more valid data to provide to USDOL on our services.
- Less accountability – Two workforce boards operating independently in our small (population wise) state would lead to less accountability. Each board would be responsible for policies and oversight of their own areas. Currently, the staff of the Statewide Workforce Programs and Oversight Bureau are able to offer policies and oversight of the WIA programs consistently and have the appropriate checks and balances in place by reporting to the SWIB and USDOL.

## **6. Describe the process used to:**

### **(i) Monitor the progress of implementing this waiver:**

The waiver has already been implemented in Montana since January 2006. The Statewide Programs and Oversight Bureau continues to monitor the success of the current structure through quarterly reports from service providers, yearly monitoring, and general conversations with each provider on an on-going basis as well as performance reporting. The Statewide Workforce Programs and Oversight Bureau reports and is accountable to the SWIB and subsequently the local elected officials who are part of the SWIB. The Bureau will continue to function as the administrative entity to the SWIB and provide oversight and technical assistance to the WIA providers.

### **(ii) Provide notice and opportunity to comment to any Local Board affected by this waiver:**

In September 2005, the Local Elected Officials and the chair of each local workforce board were notified by personal phone call on the waiver request and were asked to provide comment. The local elected officials in the CEP all supported the waiver and signed a letter of support. In turn, each of the local workforce boards were offered the chance to respond.

Currently, the local elected officials are part of the SWIB through the Montana Association of Counties (MACo) and will be notified of this waiver extension.

**(iii) Ensure the opportunity for meaningful public comment including comment by business and organized labor on the waiver:**

A general public comment period will be provided through posting the proposed Waiver request on the SWIB website for **10** days, and notifying all SWIB members and SWIB interested persons it is available for review and comment. This includes a notice to the local elected officials, service providers, and other partners of the workforce system. The process of posting the Waiver and notifying interested person's through email, is aligned with Montana State public meeting laws and Department of Labor and Industry policy. Any comments received on the waiver will be incorporated into the request prior to final submission.